

# MEMORANDUM

## Engineering Division



**To:** Mike McNeely, City Engineer  
**Through:** Darryl Wong, Utility Engineer  
**From:** Aparna Chatterjee, Assistant Civil Engineer  
**Subject:** Bay Area Water Supply and Conservation Agency  
**Date:** March 27, 2003

Assembly Bill 2058 (AB 2058) was signed into law by Governor Gray Davis on September 24, 2002. The bill was sponsored by the Bay Area Water User Association (BAWUA) and came into effect on January 1, 2003.

AB 2058 allows the BAWUA agencies to create the Bay Area Water Supply and Conservation Agency (BAWSCA) with broad water planning and financial authorities. This law enables the 26 public agency members of BAWUA, as well as Stanford University and California Water Service Company, to create a new regional water agency, completely independent of San Francisco Public Utilities Commission (SFPUC) and governed by those wholesale agencies that elect to join.

The new agency, when formed, will have the authority to plan for and acquire supplemental water supplies, to encourage water conservation and use of recycled water on a regional basis, and to assist in financing regional capital facilities. It will not however, have the authority to distribute water at the retail level. The goal of this agency is to effectively deal with the impacts of water supply outages from San Francisco in case of catastrophic damage due to severe earthquake or water shortage during periods of low precipitation through coordinated planning and implementation of strategies for water supply, water conservation, water recycling and repair and improvement of the San Francisco regional system. The Agency will have the authority to issue revenue bonds, negotiable promissory notes and use various other bond acts. It will also have the authority to make assessments on members to cover operating costs. The proceeds of revenue bonds can be made available for improvement of San Francisco regional water system on specified terms.

The formal process for establishing the new agency is already underway. The formation process was initiated by the Alameda County Water District by adopting a resolution announcing its intention to form BAWSCA. As required by the law, the other public agencies have conducted, or, are in the process of conducting, public hearings. After completion of the public hearing, each member agency is required to adopt a resolution whether to form and become a member of BAWSCA. Once resolutions have been submitted by 15 agencies whose combined water purchase from San Francisco equal or exceed 60% of the total purchases by all eligible agencies, the agency will be established. The governing boards of the member agencies will then appoint their representative to the new regional agency's board of directors.

cc: Thomas J. Wilson, City Manager  
Blair King, Assistant City Manager

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RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY OF MILPITAS DECLARING THE FINDINGS REGARDING FORMATION  
OF AND MEMBERSHIP IN THE BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

WHEREAS, the California Legislature in enacting AB 2058 (Statutes 2002, Chapter 844), declared its intent to enable local governments responsible for water distribution in Alameda, San Mateo and Santa Clara Counties that rely on the regional water system operated by the City and County of San Francisco to establish a multi-county agency authorized to plan for and acquire supplemental water supplies, to encourage water conservation and use of recycled water on a regional basis, and to assist in the financing of essential repairs and improvements to the San Francisco regional water system, including seismic strengthening; and

WHEREAS, the City Council of the City of Milpitas has held a noticed public hearing on the question of whether to form, and become a member of, the Bay area Water Supply and Conservation Agency, authorized by AB 2058; and

WHEREAS, the City Council finds that the need for coordinated planning and implementation of strategies for water supply, water conservation, water recycling, and repair and improvement of the San Francisco regional water system warrants the formation of such an agency.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MILPITAS AS FOLLOWS:

It is the intention of the City of Milpitas to form the Bay area Water Supply and Conservation Agency ("Agency") and to be a member of such Agency once it has been formed.  
The City Clerk is directed to forward a certified copy of this resolution to the Board of Supervisors of the San Mateo County no later than 10 days after the date of this resolution.

PASSED AND ADOPTED this \_\_\_\_\_ day of March, 2003, by the following vote

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Gail Blalock, City Clerk

\_\_\_\_\_  
Jose S. Esteves, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Steven T. Mattas, City Attorney